

# THE RED TRUTH OF CHINA'S 'COMMON PROSPERITY DISCOURSE'

Relevant for: Indian Economy | Topic: Issues relating to Planning & Economic Reforms

From a regulatory crackdown on tech unicorns to clampdown on private tutoring, from exhorting the rich to redistribute wealth to fintech companies forming unions for their workforce, a series of verbal assertions and administrative measures have been upending people's lives in China over the last few months. The common thread binding these disparate actions together is the term, Common Prosperity (*gongtong fuyu*).

Common Prosperity is not an entirely new term, having figured in all political reports at different congresses of the Communist Party of China (CPC) since 1992. However, it has acquired momentum under China's President Xi Jinping as a special campaign. He unveiled its action plan in his speech at the 10th meeting of China's Central Committee for Financial and Economic Affairs in August this year; its text was published in the CPC's theoretical journal, *Qiushi*, in October. Like with Mr. Xi's various signature political concepts, the theoretical design for this 'New Deal' — as has been characterised in some quarters — is believed to have been provided by Wang Huning, member of the Politburo Standing Committee of the CPC.

Xi Jinping warns 'common prosperity' push will be 'long term'

The top-down campaign is aimed at engineering a "profound transformation" of the country, in achieving prosperity for all people in their material and spiritual (and moral) lives. It seeks to tame the excesses generated by the over four decade-long Reform and Opening Up (*gaige kaifang*). Despite achieving industrial transformation and technological growth, widening inequality (income, wealth, and region-based) and unbalanced, or inadequate development are characterised as negative by-products that need fixing. China's Gini coefficient as per available figures, have remained between 0.46 and 0.49 for the last two decades. Being abreast of happenings around the world, the Party-state is anxious about social disintegration and political polarisation, which would end up destabilising its authoritarian rule and question its legitimacy.

The building blocks for this campaign lie in Mr. Xi's political report at the 19th Congress of the CPC in 2017, where he identified the change in the principal contradiction in Chinese society from earlier years — between unbalanced and inadequate development and the people's ever-growing needs for a better life. In fact, several aspects mentioned in the speech on Common Prosperity also figure in that political report — rather, Mr. Xi has chosen to give some extra push to a few of them to hasten results (such as a proposed law on property tax to regulate the highly speculative real estate sector; the first step in that direction is the Standing Committee of the National People's Congress of the People's Republic of China authorising the State Council to initiate pilot experiments for five years before national implementation). This drive desires to tighten the Party-state's control over monopolies, regulate the private sector, expand the size of the middle class, and check wealth accumulation. There is an emphasis on equalising access to basic social services but going by past experiences, its effectiveness remains uncertain.

Parsing through the speech, it is notable that the commitment to State-led capitalism is intact, and the pursuit of larger economic goals also remains steadfast. There is little to no criticism of the phenomenon of conspicuous consumption. Mr. Xi continues to encourage people getting rich albeit in a more controlled manner as dictated by the Party-state. Though he wishes to divide the cake well, he is silent on simultaneously increasing its size. He specifies that the action plan should not be equated with egalitarianism, and that excessive guarantees be not provided even

if China reaches a higher level of development and acquires stronger financial resources in the future. In doing so, he has signalled that the government would continue its non-intervention in substantive welfare redistribution. In highlighting the need to avoid welfarism, which he views as a trap for nurturing lazy people, Mr. Xi's positioning is in sync with the neoliberal logic that views redistribution as anathema to economic growth.

With grip on present, Xi Jinping eyes control over Party's past and future

Laying emphasis on the requirement of high-quality workers for high-quality development, Mr. Xi's prioritisation of the development and upgradation of human capital for productivity is indicative of the Party-state's calculated relationship with labour that is rooted purely in the extraction of value. In fact, this is also an extension from his political report at the 19th Congress of the CPC: 'build an educated, skilled, and innovative workforce, foster respect for model workers, promote quality workmanship, and see that taking pride in labo[u]r becomes a social norm and seeking excellence is valued as a good work ethic'. Putting the onus on the workers for self-improvement, these formulations are reminiscent of the vocabulary used in the corporate human resources management ecosystem. In imparting such a vision, the Party-state elides its responsibility for workers-centric reforms at a systemic-level.

Once again, the long-pending reform of the household registration system (*hukou*) — to integrate rural migrant blue-collar workers into cities and giving them access to urban services — may very well continue to remain unfulfilled given the strong pushback from city officials. Despite being the backbone of China's economic metamorphosis, the rural migrant labour (*nongmingong*) will continue to negotiate their second class, lonely existence in unfamiliar cities and workplaces, in the process, confronting mental challenges that accompany their physical dislocations from home. Further, his criticism of 'involution' and 'lying flat' — recent popular phenomenon, of rejecting the hypercompetitive culture of overwork by tech workers and urban youth — reveals the discouragement of and intolerance against the online resistance of white-collar workers against the gruelling '996' work schedules (9 a.m. to 9 p.m., six days a week).

China grapples with challenges of slowing economy, outbreaks

That the success of the Chinese economic development model is built on labour repression is a grim reality. The top-down authoritarian system offers concessions from time to time to mitigate unrest but severely cracks down on any bottom-up workers' self-organising (even the recent guidelines allowing unions among gig workers, it is the tech companies who are forming them rather than through any initiatives of workers). Mr. Xi has identified Common Prosperity to be a long, arduous, and complex process. However, from the perspective of redistribution and labour — as evidenced by the increasing precariousness of workers and their continued political disfranchisement — this (Red) "New Deal" looks more rhetorical than being substantive. Rather than making any radical break and realigning social relations, it appears to be intended to strengthen and sustain the existing system.

*Anand P. Krishnan is Visiting Associate Fellow, Institute of Chinese Studies, New Delhi*

### [Our code of editorial values](#)

The COVID-19 vaccination drive is a reminder that the benefits of many vaccines have yet to reach the adult population

END

crackIAS.com